Amendments to the Specification:

Please replace paragraph on page 50 at line 12 with the following amended paragraph:

Now, the transformed, compressed and quantized image information is further organized into a quality/resolution matrix, using the various layers available from the file format 600 for Fig. 6A. Each layer is represented by two coordinates: resolution and quality. Organizing the image information into different layers includes selecting particular bands for a given layer, each band being represented to a particular bit depth. Layer 00 represents the lowest resolution/quality for the image; it will store the "smallest band." Therefore, at this point, the system decides what will be the smallest layer, as indicated by step 656. This includes determining which bands to take for the image, and to what bit depth. For example, Layer 00 may contain ~~bands~~ bitplanes 1 through 10, yet only include three bitplanes ~~in~~ from band 1, two bitplanes ~~in~~ from band three, and so forth and so on. This information is stored in Layer 00. Thus, Layer 00 itself is further subdivided, based on the bitplanes it stores. The storage methodology 650 continues in this manner, filling out the other layers (i.e., proceeding along quality/higher resolution) until the quality/resolution matrix is complete. Each layer preferably includes information from all three separate color planes.